

PUBLIC DISCLOSURE

October 19, 2004

COMMUNITY REINVESTMENT ACT PERFORMANCE EVALUATION

FRAMINGHAM CO-OPERATIVE BANK

**828 CONCORD STREET
FRAMINGHAM, MA 01701**

**DIVISION OF BANKS
ONE SOUTH STATION
BOSTON, MA 02110**

<p>NOTE: This evaluation is not, nor should it be construed as, an assessment of the financial condition of this institution. The rating assigned to this institution does not represent an analysis, conclusion or opinion of the Division of Banks concerning the safety and soundness of this financial institution.</p>
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GENERAL INFORMATION

The Community Reinvestment Act ("CRA") requires the Massachusetts Division of Banks ("Division") to use its authority when examining financial institutions subject to its supervision, to assess the institution's record of meeting the needs of its entire assessment area, including low and moderate-income neighborhoods, consistent with safe and sound operation of the institution. Upon conclusion of such examination, the Division must prepare a written evaluation of the institution's record of meeting the credit needs of its community.

This document is an evaluation of the CRA performance of **Framingham Co-operative Bank (or the "Bank")** prepared by the Division, the institution's supervisory agency, as of **October 19, 2004**. The Division evaluates performance in the assessment area(s), as they are defined by the institution, rather than individual branches. This assessment area evaluation may include the visits to some, but not necessarily all of the institution's branches. The Division rates the CRA performance of an institution consistent with the provisions set forth in 209 CMR 46.00.

INSTITUTION'S CRA RATING: This institution is rated "High Satisfactory"

The institution's performance as measured by the Lending, Investment and Service Tests warranted a high satisfactory rating. Of these three performance tests, the Lending test is given the greatest weight. The following summary highlights the results of efforts made by the board of directors, management and staff to meet the Bank's CRA responsibilities. Ratings for each of test (Lending, Investment and Services) are shown on page 2.

Based on overall level of lending activity (number and dollar volume originated) for residential mortgage loans, small business loans and consumer loans, Framingham Co-operative Bank demonstrated an adequate responsiveness to the credit needs in its assessment area. The Bank granted 67.1 percent of its residential mortgages, 44.3 percent of its small business loans and 60.5 percent of its home equity lines within its assessment area.

The geographic distribution of mortgage and small business loans demonstrated both a good dispersion and a good distribution among the income levels of census tracts. The Bank's home improvement, home refinance loans and small business loans were given the greatest weight in evaluating this criterion.

Overall, the Bank's distribution of its home mortgage loans among borrowers of different income levels was considered to be good, given the assessment area's demographics and the comparison to all other Home Mortgage Disclosure Act ("HMDA") reporting lenders within the assessment area. The Bank's small business loan distribution among businesses of different sizes is also considered to be good.

Framingham Co-operative Bank granted six community development loans totaling \$1.7 million to a regional non-profit housing corporation, reflecting a good level of complexity and innovativeness. The Bank employs innovative and flexible lending programs designed to meet the credit needs of low and moderate-income borrowers and small businesses. The Bank demonstrated satisfactory fair lending policies and practices. No discriminatory or other illegal credit practices were noted during this examination.

Under the Investment test, the Bank has provided a good level of qualified investments in the form of charitable contributions/grants to community organizations and an investment in the CRA targeted Access Capital Strategies Community Investment Fund. These qualified investments demonstrate the Bank's responsiveness to its assessment area's credit and community development needs.

Framingham Co-operative Bank's performance under the service test is considered to be "Satisfactory". Overall, the Bank's retail service delivery systems are considered reasonably accessible to geographies and individuals of different income levels in its assessment area. The Bank demonstrated a satisfactory performance in providing community development services and credit education services.

LENDING, INVESTMENT, AND SERVICE TEST TABLE

The following table indicates the performance level of Framingham Co-operative Bank, Framingham, Massachusetts, with respect to the lending, investment, and service tests.

PERFORMANCE TESTS Framingham Co-operative Bank			
Performance Levels	Lending Test*	Investment Test	Service Test
Outstanding			
High Satisfactory	X	X	
Satisfactory			X
Needs to Improve			
Substantial Non-Compliance			

*Note: The Lending Test is weighed more heavily than the Service and Investment Tests when arriving at an overall rating.

DESCRIPTION OF INSTITUTION

Framingham Co-operative Bank is a mutually owned, community based financial institution in Framingham, Massachusetts. Framingham Co-operative Bank operates two banking offices 828 Concord Street (its main office) and 1 Lincoln Street, Framingham. The Bank's loan center is situated at 160 Cochituate Road, approximate to the main office. The loan center houses the institution's mortgage and commercial loan departments. Both banking offices provide ATM (24-hours with Network access) and drive-up window service. Framingham Co-operative Bank is a member of the SUM network of financial institutions, which do not levy surcharges to foreign ATM customers.

As of June 30, 2004, Framingham Co-operative Bank had total assets of \$301.4 million with total loans representing \$207.6 million or 68.9 percent of total assets. The ratio of net loans (\$203.3 million) to total deposits (\$232.1 million) was 87.6 percent. Loan growth for the 12 months ending June 30, 2004 was 10.3 percent, while deposit growth was 2.4 percent. In the same period, total assets grew by 3.5 percent, while the bank's equity capital increased by 6.6 percent.

The following table depicts the composition of the Bank's loan portfolio.

Loan Portfolio as of June 30, 2004		
Type of Loans	\$'s (000's)	% of Total Loans
Construction & Land Development	35,191	16.9%
Residential Real Estate		
a. 1-4 Family Mortgages	49,985	24.1%
b. Home Equity Lines/Loans	7,789	3.8%
Multifamily	30,079	14.5%
Commercial Loans		
a. Commercial Real Estate.	67,116	32.3%
b. Commercial Loans	15,404	7.4%
Consumer Loans		
a. Credit Cards		0.0%
b. Loans to Individuals	2,079	1.0%
Other Loans		
Total	207,643	100.0%

Source: FDIC Call Report of Condition.

Loans secured by multifamily dwellings (5 units or more) and commercial real estate, combined with construction and land development loans, represent the majority (63.7%) of the Bank's loan portfolio. Loans secured by residential real estate (1-4 family dwellings), including home equity lines/loans, represent the second largest segment (27.9%) of the Bank's portfolio. Commercial loans (not secured by real estate) and consumer loans comprise the remaining portion of loans, representing 7.4 and 1.0 percent, respectively of the Bank's total loans.

Framingham Co-operative Bank's lending focus has historically been centered in residential and commercial real estate secured loans. The Bank is an established construction and commercial real estate lender within Greater Framingham. In 2003, the Bank increased its commercial lending activity in the areas of multifamily (investor owned) property, construction and land development (for commercial/multifamily purpose) and small business loans. Much of the Bank's expanded commercial real estate and multifamily lending is centered outside the Bank's primary market area, reaching into the Boston and Worcester areas. (See Geographic Distribution for further details.)

Framingham Co-operative Bank continues to originate residential mortgage loans for its own portfolio. However, as the institution's commercial lending has expanded, residential (secured by 1-4 family dwellings) and consumer loan holdings have declined. The Bank is a member of the Federal Home Loan Bank ("FHLB") and anticipates approval in the near future to sell its residential mortgage originations to the FHLB's Mortgage Partnership Finance program. Additionally, Framingham Co-operative Bank is an approved Small Business Administration ("SBA") lender.

Framingham Co-operative Bank, as a commercial lender faces competition from several regional banks including Citizens Bank of Massachusetts, Sovereign Bank and BankNorth. In addition, commercial lending competitors include Fleet Bank (now Bank of America, which has national standing), and the community banks of Middlesex Savings Bank and Eastern Bank. Framingham Co-operative Bank is now the only community based institution headquartered in the Town of Framingham. The Bank continues to be a profitable, well capitalized and efficiently run financial institution. There are no known legal or financial impediments to Framingham Co-operative Bank's ability to meet community/assessment area credit needs.

The Division last conducted a CRA evaluation as of June 29, 1999, which resulted in the Bank receiving a "High Satisfactory" rating. The Federal Deposit Insurance Corporation ("FDIC") last conducted a CRA evaluation as of March 3, 2003, resulting in an overall "Satisfactory" CRA rating. Both of these evaluations were conducted using the CRA regulation's small institution's performance standards. This is the Bank's first evaluation under the CRA regulation's Large Bank Performance Standards.

DESCRIPTION OF ASSESSMENT AREA

CRA requires financial institutions to define an assessment area within which the Bank's lending, investment and services activities will be evaluated. Generally, assessment area(s) consist of Metropolitan Statistical Areas ("MSA"s) or contiguous political subdivisions, such as counties, cities and towns. Framingham Co-operative Bank's assessment area is in conformance with the CRA regulation, containing only whole geographies or census tracts.

Framingham Co-operative Bank defines its assessment area to include the towns of Framingham, Natick, Ashland, Holliston, Hopkinton, and Southborough and the City of Marlborough. All of these municipalities are situated within the Boston, MA-NH Consolidated Metropolitan Statistical Area ("CMSA") and are part of Boston's Primary Metropolitan Statistical Area ("PMSA"). The Boston MA-NH MSA's area median income or median family income ("MFI") was \$74,200 and \$80,800 in 2002 and 2003, respectively.

CRA evaluations are to use the 2000 U.S. Census data geographic information when analyzing loan activity in 2003. The 2002 lending activity is evaluated using the 1990 U.S. Census data. Consequently, this assessment area description incorporates both the 1990 and 2000 U.S. Census data.

The Bank's assessment area contains a total of 31 and 32 census tracts, based on 1990 and 2000 Census data, respectively. The census tract income levels are based on the median family income within the given tract based on the ten-year census data. The assessment area's weighted average MFI was \$48,688 in 1990 and increased to \$68,341 in the 2000 Census. The CRA regulation defines income levels as low-income (less than 50 percent of the area median income), moderate-income (50 to 79 percent of median family income), middle-income (80 to 119 percent of area median income), and upper-income (120 percent and greater of the area median income).

Based on 1990 Census data, the assessment area's census tracts (by income levels) were as follows; two moderate-income tracts, 14 middle income tracts and 14 upper income tracts/geographies. Downtown Marlborough and Framingham's most southeasterly tract comprised the two moderate tracts. There was one "NA" tract situated within Marlborough. (An "NA" tract is an institutional/commercial geography, where demographic information is not available)

Based on 2000 Census data, the assessment area contains one low-income (tract #3831), three moderate-income (#3832, #3833, #3634) census tracts, 15 middle income and 13 upper income tracts/geographies. The low and moderate income tracts comprise the "Southside" of Framingham, encompassing the Downtown and the older industrial and residential neighborhoods. The 15 middle income geographies are located within Framingham (5 tracts), Natick (2 middle tracts), Marlborough (5 tracts), Ashland (comprised of 2 middle tracts), and Holliston (1 middle tracts). The 13 upper income census tracts are located in Framingham (3 upper tracts), Natick (4 tracts), Marlborough (contains 1 upper tract), Holliston (2 upper), Hopkinton (2 upper tracts) and Southborough (comprised of 1 upper income geography).

Based on the 2000 census data, middle income tracts had median incomes ranging from 80.8 to 119.0 percent of the area median income/MFI; whereas the upper income tracts had median incomes ranging from 126.7 to 174.8 percent of the MFI. The one low income geography had a MFI of 39.1 percent of the MSA's area median income, while the three moderate-income tracts had MFI/median incomes of 68.9 percent, 71.0 percent and 77.4 percent of the MSA's area median income.

The assessment area population was 168,076 residents in 1990 and 185,937 residents in 2000, increasing by 17,861 individuals or 10.6 percent. In 1990, the assessment area's residents comprised 63,541 households of which 68.7 percent were family households. Similarly, the population in 2000 comprised 71,645 households of which 67.8 percent were families. The distribution of family households by income levels changed somewhat in the 2000 U.S. Census. Low-income families increased slightly from 19.3% in 1990 to 20.6 percent of all families in the 2000 Census. Moderate-income families declined slightly from 18.1% to 17.4 percent of families. Notably, Middle income families declined from 24.0% in 1990 to 21.8 percent of all families. Lastly, upper income family households increased from 38.6% of all families to 40.1 percent in 2000. Low and moderate income families combined now represent 38.0 percent of all families within the assessment area. Families living below the poverty line represent 5.8 percent of families.

Framingham is the assessment area's largest municipality holding 12 census tracts and a population of 64,989 residents. It is situated mid-way between the cities of Boston and Worcester, is considered the hub of the "Metro-West" region.

The following table compares the assessment area's census tract composition for the 1990 and 2000 U.S. Census to the distribution of households, family households and housing units among the census tracts comprising the assessment area.

Demographic Characteristics by Census Tract Category (Distribution by Percentage)								
Income Category	1990 Census				2000 Census			
	Census Tracts	House-holds	Family House-holds	Housing Units	Census Tracts	House-holds	Family House-holds	Housing Units
Low	0.0	0.0	0.0	0.0	3.1	4.2	4.3	4.2
Moderate	6.5	8.7	7.5	8.9	9.4	7.5	6.3	7.5
Middle	45.2	48.6	44.6	48.8	46.9	51.2	48.2	51.1
Upper	45.2	42.7	47.9	42.3	40.6	37.1	41.2	37.2
NA	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total/All	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

The above table demonstrates the realignment of population and housing units among the income levels of census tracts. The percentage/distribution of households and housing units increased within the low and moderate-income geographies in the 2000 Census. Notably, the percentage of households/housing units within the middle income geographies also increased in the 2000 Census; while households and housing units within upper income geographies decreased.

The following table provides certain assessment area housing characteristics for both the 1990 and 2000 Census.

Housing Characteristics by Census Tract Category (Distribution by Percentage)								
Income Category	1990 Census				2000 Census			
	Owner-Occupied	Renter-Occupied Units	Multi-family Units	Median Home Value	Owner-Occupied	Renter-Occupied Units	Multi-family Units	Median Home Value
Low	0.0	0.0	0.0	\$0	1.2	10.4	10.1	\$144,800
Moderate	4.2	16.4	15.1	\$144,630	4.9	12.6	8.7	\$182,582
Middle	42.7	58.8	57.2	\$170,683	48.8	55.9	60.4	\$199,690
Upper	53.1	24.8	27.7	\$207,106	45.1	21.1	20.7	\$271,639
NA	0.0	0.0	0.0	\$0	0	0	0	\$0
Total/All	60.2	34.8	24.6	\$183,797	65.6	32.3	22.8	\$222,830

The table demonstrates the realignment of owner-occupied, renter-occupied and multifamily housing units among the census tracts comprising the Bank's assessment area. The table also compares median home values. Owner-occupied units within the low and moderate-income tracts represented 6.1 percent of all owner occupied housing units in the 2000 Census, while renter-occupied and multifamily units within these tracts increased to 22.0 percent of all renter-occupied units. Notably, the distribution, within the middle income tracts, of owner-occupied and multifamily units increased to 48.8 and 60.4 percent, respectively; while within the upper income geographies the levels of all units owner-occupied, renter-occupied and multifamily units decreased. The median price of a home rose among all income levels of census tracts. The assessment area as a whole experienced a 21.2 percent increase in the median home value. Upper income tracts experienced the largest increase with home values rising 31.2 percent

within these tracts. Moderate-income tracts experienced a 26.2 percent increase, while middle-income tracts realized a rise in home values of 17.0 percent.

Based on U.S. Census data, the assessment area's home affordability ratio increased from 25.4 percent in 1990 to 28.1 percent in the 2000 Census. The affordability ratio is calculated by dividing median household income by the median housing value. Comparably, the Boston, MA MSA affordability ratio is somewhat below that of assessment area, yet also increased from 21.8% in 1990 to 24.1 percent in the 2000 Census.

The following table provides current median home prices for certain municipalities within the assessment area. Warren Information Services collects the information based on Registry of Deeds transactions.

	*December 2002	*December 2003
Framingham	\$276,250	\$300,000
Natick	\$310,000	\$350,000
Marlborough	\$260,000	\$284,700
Ashland	\$310,000	\$345,000
Holliston	\$307,500	\$339,900

Source: Warren Information Services (Banker & Tradesman) *12 months ending December 2002 & 2003.

The above prices are based on all home sales, including condominiums. In 2003, the median home price increased in Framingham by \$23,750 (8.6%), in Natick by \$40,000 (12.9%), in Marlborough by \$24,700 (or 9.5%), in Ashland by \$35,000 (11.3%), and lastly, in Holliston by \$32,400 (or 10.5%).

HMDA requires lenders to report all purchase mortgages, refinances and home improvement loans to their respective regulators. Mortgage activity within the assessment area is highly competitive. In 2002, there were 422 HMDA reporting lenders active within the assessment area. These mortgage lenders ranged from large nationally based mortgage companies (and regional banks) to small proprietary mortgage lenders. In aggregate, these HMDA reporting lenders originated or purchased a total of 23,030 loans totaling \$4.9 billion in 2002 within the assessment area. The top ten mortgage lenders and their market share are as follows: (1) Washington Mutual Bank, FA (9.1%); (2) Countrywide Home Loans, Inc (6.9%), (3) Fleet National Bank (6.3%); (4) Well Fargo Home Mortgage (4.8%); (5) GMAC Mortgage (3.7% market share); and (6) Bank Of America, N.A. (3.2%); (7) GMAC Bank (2.8%); (8) Wells Fargo Funding, Inc (2.6%) and (9) Middlesex Savings Bank (2.4% market share) and (10) ABN Ambro Mortgage Group, Inc (2.2%). These ten combined held 44.0 percent market share of all mortgage loans reported under the HMDA requirements. Framingham Co-operative Bank ranked 55th holding a 0.4 percent market share within its assessment area.

Employment and Economic Data

The level of unemployment statewide has seen some improvement over the last four quarters, going from 5.9 percent in the third quarter of 2003 to 5.1% in the third quarter of 2004. Although job growth has occurred, the Massachusetts' economy continues to display weaknesses across all major employment sectors. The state economy, as well as the Bank's assessment area, has what are called "super sectors", which employ the largest numbers of people. These economic/employment "super sectors" are education and health services (Massachusetts largest super sector), professional, scientific and business services, the manufacturing sector (all industries) and the information super sector, including telecommunications.

The Town of Framingham as of December 2001 employed a total labor force of 41,333 individuals. Various retail stores employed 6,632 individuals, business services employed 5,001 with engineering and management services employing an additional 2,446 people. Health and educational services employed 5,287 people, while all manufacturing industries employed 8,058 individuals with electronic equipment companies employing the largest number of workers (2,324). The town's largest manufacturing employer is the internationally known Bose Corporation. Other large employers include Genzyme, Staples and Columbia MetroWest Hospital. The major retail activity is located along Route 9, where "Shoppers, World", along with other smaller retail developments dominate the area.

Building permits for single family homes within the Town of Framingham have declined during 2002 and 2003, going from the high of 45 permits in 2001 to 27 permits issued in 2003. There were no multifamily permits issued in 2001 and 2002; however, four multifamily construction permits were issued in 2003.

CONCLUSIONS WITH RESPECT TO PERFORMANCE TESTS

Scope of Evaluation

This evaluation assesses the Bank's performance under CRA's large institution's Lending, Services and Investment test. Each of these tests encompasses a number of criteria.

The Bank's credit products reviewed for the Lending Test criteria include; (1) HMDA reportable residential loans, (2) small business loans reported on the CRA Data Report (3) optionally reported home equity lines of credit and consumer loans and lastly, (4) community development loans. The Bank's HMDA residential lending evaluation covers a two year period, from January 1, 2002 to December 31, 2003. Since Framingham Co-operative Bank was not required to report its small business loans and any optional loans until 2003, these loan products are evaluated for 2003 only, from January 1, 2003 to December 31, 2003. The Bank's community development loans are evaluated for 2002 and 2003 and year-to date (through September 30th) 2004.

Banks and other mortgage lenders are required to report their residential loan originations on a yearly basis to their respective federal regulatory agency. HMDA reportable loans include purchase mortgages, refinances of purchase mortgages, home improvement loans and mortgage loans secured by multifamily (5 units of more) dwellings. Small business loans are defined as loans that have an original amount of \$1 million or less and are either secured by nonfarm nonresidential properties (commercial properties) or are classified as commercial and industrial loans.

Under the lending test, the Bank's residential lending performance is compared to the HMDA aggregate lenders' data for the calendar year 2002, which is the most recent year available.

The evaluation period for the Service and Investment test covers the Bank's activities for the calendar years 2002, 2003 and year to date 2004.

FFIEC Core Tables – Appendix B

The Federal Financial Institutions Examination Council ("FFIEC"), which is comprised of all federal financial institutions regulatory agencies, adopted a set of 15 "core tables" to be used in all large bank CRA Public Evaluations. Since the Division's CRA regulation closely mirrors the federal regulation, the Division's CRA evaluations are to utilize the FFIEC Core Tables. There are 15 core tables, which include data on lending volume inside the assessment area, geographic and borrower distribution of loans, qualified investments and branch information. The FFIEC Core Tables, contained in Appendix B of this evaluation, will be referenced throughout this Public Evaluation, but particularly in the Lending Test analysis.

LENDING TEST

The institution's Lending Test performance was rated an overall "High Satisfactory." The institution's lending efforts are rated under the seven major performance criteria: Lending Activity, Geographic Distribution, Borrower Characteristics, Community Development Lending, Innovative or Flexible Lending Practices, Fair Lending, and Loss of Affordable Housing. The following information details the data compiled and reviewed, as well as conclusions on the Bank's performance.

I. Lending Activity

This performance criterion evaluates the number and dollar volume of loans granted or purchased within the assessment area. Overall, the Bank's number and dollar volume of all loans granted within the assessment area is considered to be adequate.

Residential Mortgage Loans

From January 1, 2002 through December 31, 2003, Framingham Co-operative Bank originated 292 HMDA reported residential loans totaling \$64.5 million. As the following table indicates a majority of the number of loans were originated inside the assessment area. Although both number and dollar volume is analyzed, the number of loans is given greater weight than the dollar volume. The reasons for this are that the number of loans does not vary due to the applicant's income, the size of the applicant's business, or the varying home prices within the assessment area.

The loans granted inside the assessment area (196 loans totaling \$29.1 million) represented 67.1 percent (by number) and 45.2 percent (by dollars) of all home mortgage loans granted in the review period. The largest concentration of loans was in Framingham, representing 62.2 percent (by number) and 62.5 percent (by dollars) of loans granted inside the assessment area.

The HMDA reported loans granted outside the assessment area (96 loans totaling \$35.3 million) represented 32.9 percent (by number) and 54.8 percent (by dollar) of all residential loans originated. Refer to the following table for further details.

Distribution of Home Mortgage Loans Inside and Outside of the Assessment Area								
	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
2002	80	61.5	11,447	39.9	50	38.5	17,273	60.1
2003	116	71.6	17,696	49.5	46	28.4	18,068	50.5
Total	196	67.1	29,143	45.2	96	32.9	35,341	54.8

Source: HMDA-LAR 2002 and 2003.

I. Lending Activity (Continued)

Residential Mortgage Loans (continued)

The larger dollar volume of loans outside the assessment area is attributed to two factors. First, the average loan size for HMDA reported home purchase and refinance loans was larger than those loans granted inside the assessment area. And second, the Bank granted the majority of HMDA reportable multifamily (5 dwelling units or more) loans outside its assessment area. Multifamily loans are by definition larger balance loans. For the period reviewed, there were 15 multifamily loans totaling \$13.1 million granted outside the assessment area.

In 2002, Framingham Co-operative Bank ranked 55th among the 422 HMDA reporting lenders active within its assessment area. The Bank held a 0.4 percent market share. There were three other locally based financial institutions that held a greater market share than Framingham Co-operative Bank. These were Middlesex Savings Bank, Natick (ranked 9th with 2.2% market share), St Mary's Credit Union, Marlborough (ranked 22nd with 0.9% market share) and Marlborough Savings Bank, Marlborough (ranked 23rd with a 0.9% market share). The most similar in asset size is Marlborough Savings Bank. Although similar in asset size, Marlborough Savings Bank has a much greater focus on residential lending than Framingham Cooperative Bank. Overall, the Bank's mortgage lending activity demonstrates an adequate responsiveness to the assessment area's credit needs.

Small Business Loans

Since Framingham C-operative Bank was not defined as a "large institution" under the CRA regulation prior to January 1, 2003, the Bank was not required to collect or report its small business loan activity until 2003. The Bank has internal reports on its commercial loan originations in 2002. However, since the data does conform to the CRA small business loan definitions, it is not reliable for the purposes of this evaluation. Consequently, small business lending activity for this and all other lending criteria will discuss the calendar year 2003 originations, only.

In 2003 the Bank originated 106 small business loans for a total of \$12.3 million. Of these loans, the Bank originated 47 loans totaling \$4.5 million within the assessment area, representing 44.3 percent (by number) and 36.7 percent (by dollar volume) of the total loans granted. Conversely, loans granted outside the assessment area represented 55.7 percent (by number) and 63.3 percent (by dollars). Refer to the following table.

Distribution of Small Business Loans Inside and Outside of the Assessment Area								
	Inside				Outside			
	Number of Loans		Dollar in Loans (000s)		Number of Loans		Dollars in Loans (000s)	
	#	%	\$	%	#	%	\$	%
2002	NA	NA	NA	NA	NA	NA	NA	NA
2003	47	44.3	4,528	36.7	59	55.7	7,812	63.3

Source: CRA Data 2003.

I. Lending Activity (Continued)

Small Business Loans (continued)

There are several factors, which influence the majority of small business loans being extended outside the Bank's assessment area. The primary factor is a highly competitive small business lending market. As mentioned previously, Framingham Co-operative Bank competes with several regional banks including Citizens Bank of Massachusetts, Sovereign Bank and BankNorth for business customers. The Bank's commercial lending competitors also include Fleet Bank (now Bank of America, which has national standing), and the community banks of Middlesex Savings Bank and Eastern Bank.

Additionally, Framingham Co-operative Bank has a small business lending niche in tractor trailer loans and other transportation related equipment loans. Often, these borrowers are located outside the assessment area. Lastly, the Bank also is active in construction and land development lending. These loans are not reportable either as small business or residential loans due to the temporary nature of the financing.

In summary, the Bank's small business loan volume is low inside the assessment area. However, only one year's activity was analyzed. The majority of the small business loans in 2003 are situated outside the assessment area, indicating some weakness in the Bank's volume of small business lending inside the assessment area. This weakness is largely attributed to the highly competitive small business lending market within the Bank's assessment area.

Home equity Lines and Consumer Loans

Framingham Co-operative Bank collected optional loan origination data in 2003 for home equity lines of credit and consumer loans, including motor vehicle, unsecured and secured consumer loans. In 2003, the Bank granted 38 home equity lines totaling \$3.3 million of which 60.5 percent (by number) and 64.7 percent (by dollar) were situated inside the assessment. The institution also granted 39 motor vehicle loans totaling \$536 thousand and 6 secured consumer loans totaling \$346 thousand. Motor vehicle loans granted inside the assessment area represented 69.2 percent (by number) and 71.1 percent (by dollars), while secured consumer loans granted inside the assessment represented 66.6 percent (by number) and 97.4 percent (by dollars). Lastly, the Bank granted, in 2003, 22 unsecured consumer loans for a total of \$79 thousand, of which 77.3 percent (by number) and 83.5 percent (by dollars) were granted inside the assessment area.

The Bank's consumer loan volume, excluding home equity lines of credit, has declined. However, the majority of these loans were originated inside the assessment area, demonstrating an adequate responsiveness to the assessment area's credit needs.

In conclusion, the Bank's lending activity for all loan categories, including residential mortgages, small business loans, and home equity lines and consumer loans, inside the assessment area is considered to be satisfactory.

Refer to Appendix B (FFIEC Core Tables), Table 1 Lending Volume and Table 1 Other Products for the total number and dollar volume of loans (by loan category) originated inside the assessment area.

II. Geographic Distribution of Lending

The geographic distribution of all loan categories is analyzed in order to assess the Bank's performance in meeting the credit needs of its entire assessment area. This criterion evaluates both the dispersion of lending throughout the assessment area and the number and dollar amount of loans in low, moderate, middle and upper income geographies/census tracts. Framingham Co-operative Bank's performance demonstrates overall a sound geographic lending distribution, particularly in its home improvement and home refinance loan originations. There are some gaps in lending, but overall the Bank's performance is considered to be good.

Residential Mortgage Loans

In Appendix B, the core tables 2a, 3a, 4a and 5a illustrate the Bank's geographic distribution of HMDA reported mortgage loans among the low, moderate, middle and upper income census tracts, comprising the assessment area. The tables provide the geographic distribution for the Bank's home purchase loans, home improvement loans, home refinance loans and multifamily loans and compare these data to the HMDA Aggregate Lenders data and to the assessment area's housing demographics. The housing demographics for 2002 are based on 1990 U.S. Census data, while housing demographics for 2003 are based on 2000 U.S. Census data.

For 2002 and 2003 combined, the Bank granted at least one loan in all but 5 census tracts within its assessment area. The tracts where the Bank granted no loans are situated in Marlborough (#3216, middle income tract), in Hopkinton (#3201.02, upper income tract), in Natick (#3823 and #3824, middle and upper income) and in Holliston (#3871, an upper income geography).

Home Purchase Loans

Table 2a demonstrates the geographic distribution of the Bank's home purchase loan originations within the assessment area. Framingham Co-operative Bank granted 23 home purchase loans totaling \$5.6 million in 2002 and 2003 combined. There were no low-income tracts within the 2002 assessment area. In 2002 both the Bank's loan distribution (7.14%) and the Aggregate Lenders' performance (7.62%) exceeded the level of owner-occupied housing units (4.23%) within the moderate-income tracts. Furthermore, the Bank's lending distribution within the middle income tracts (42.86%) was below the Aggregate (44.94%), while the loans distribution within the upper tracts (50.00%) was above the Aggregate Lenders' (47.44%). Overall in 2002, the Bank's home purchase loan activity compared reasonably to the distribution of owner occupied units (housing demographics) and to the HMDA aggregate lenders' home purchase lending distribution.

The Bank's home purchase loans in 2003 corresponded to the assessment area's housing demographics with some noteworthy exceptions. Within the one low income tract, the Bank's distribution of home purchase loans (11.11%) exceeded the distribution (1.23%) of owner occupied units, while the Bank granted no home purchase loans within the moderate-income tracts. The Bank's home purchase distribution (44.45%) within the middle tracts was below the level (48.81%) of owner occupied dwelling, while home purchase loans granted within the upper income geographies (44.44%) closely mirrored the distribution of owner occupied housing units (45.06%) located there. The Bank's 2003 geographic distribution (for home purchase loans) is considered to be reasonable.

The most important shift in the assessment area's housing demographics in the 2000 Census occurred between the middle and upper income census tracts. The number of middle tracts increased by a net total of one, while upper income tracts declined by one. Two former upper income tracts within Framingham are now designated as middle income tracts. In addition, one

II. Geographic Distribution of Lending (Continued)

Residential Mortgage Loans (continued)

upper income tract within Marlborough is now designated as middle income. The Framingham tracts are smaller, densely populated geographies, while the Marlborough tract is larger, yet also populous.

Home Improvement Loans

Table 3a in Appendix B illustrates the geographic distribution of the Bank's home improvement loans. For the two years reviewed, the Bank granted 68 loans in this category totaling \$3.7million. The majority of these HMDA reported home improvement loans are home equity lines of credit used for home improvement purposes. In 2002, the Bank granted 8.82 percent of its home improvement loans within the moderate-income tracts. This exceeded both the level of owner occupied housing units (4.23%) and the HMDA Aggregate lending (4.08%). In 2003, the Bank granted 2.94 percent of home improvement loans within the low income tract and 5.88 percent within the moderate-income tracts. This exceeded the level of owner occupied units within the one low-income tract (1.23%) and also within the moderate-income tracts (4.89%). Notably, all of these tracts are situated within Framingham.

Furthermore in 2002, the Bank granted 41.18 percent of home improvement loans within the middle income tracts and 50.00 percent within the upper income geographies. While in 2003, the Bank granted 52.94 percent of these loans within the middle tracts and 38.24 percent within the upper income tracts, respectively. The higher percentage of loans within the middle income tracts reflects, in part, the demographic changes that occurred in the 2000 Census among the middle and upper income tracts. However, the Bank's 2003 home improvement loans distribution exceeded the level of owner occupied units within the middle tracts (48.81%) and was below the level of owner occupied units within the upper income geographies (45.06%). Lastly in 2002, the Bank's home improvement loan originations within the middle income tracts (41.18% of all these loans) were below that of the HMDA Aggregate (42.16%) originations. Likewise, the loans originated within the upper income tracts (50.00%) were also below the Aggregate distribution (53.76%). Overall, the Bank's geographic distribution for home improvement loans is considered to be good given the consistently level of lending within the moderate income and middle income tracts.

Home Refinance Loans

Table 4a provides the geographic distribution of the Bank's HMDA reported home refinance loans. For the period reviewed, Framingham Co-operative Bank granted a total of 101 home refinances totaling \$17.8 million, representing the largest number and dollar volume of loans extended within the assessment area. In 2002, the Bank granted 6.25 percent of home refinances within the moderate income tract. This compared favorably to the level of owner occupied units (4.23% of all units) and to the Aggregate Lending (3.65%) within this tract. In 2003, the Bank granted 1.45 percent of home refinance loans within the one low income tract, slightly exceeding the owner occupied dwellings (1.23%) situated here. Likewise in 2003, the Bank granted 20.29 percent within the moderate income geographies, well above the level of owner occupied units (4.89%) within these tracts.

In 2002, home refinances in the middle and upper income tracts also demonstrated a positive distribution. In 2002, the Bank originated 50.00 percent of all home refinance loans within the middle income tracts, exceeding the owner occupied dwellings (42.69%) and the Aggregate

II. Geographic Distribution of Lending (Continued)

Residential Mortgage Loans (continued)

HMDA lending (40.89%). Furthermore, the Bank granted 43.75 percent of refinances within the upper income tracts, well below the owner occupied units 53.08% and the Aggregate refinance lending 55.46% situated here. In 2003 the Bank granted 42.03 percent of home refinances within the middle income geographies, a level below the owner occupied dwellings (48.82%) within these tracts. Similarly, the Bank granted 36.23 percent (of refinances) within the upper income geographies at a level below the owner occupied dwellings (45.06% of all units) located within these tracts.

The strong lending patterns seen in the Bank's home refinance lending, particularly within the moderate-income tracts and to a lesser degree the middle income tracts is influenced, in part, by the location of its banking and loan offices. Based on the 2000 Census, the Bank's Lincoln Street office is located in a moderate income tract (#3834), while the main office and loan center are centrally located in a middle income tract at the juncture of Routes 30 and 126 and Route 9.

Multifamily Loans

Table 5a in Appendix B provides the geographic distribution for the HMDA reported multifamily (5 units or more) loans. Framingham Co-operative Bank originated 4 multifamily loans totaling \$2.1 million within the assessment. There were no multifamily loans granted within the assessment area in 2002. In 2003, the Bank originated 25.0 percent of these loans within the one low income tract, 50.00 percent within the moderate income tracts and 25.00 percent within the middle income tracts. There were no multifamily loans granted within the upper income geographies. The Bank's geographic distribution for multifamily loans (75.00%) is primarily centered in the low and moderate income tracts and exceeds the level of these units located there (18.85%). Based on the 2000 Census, the majority (60.41%) of multifamily units are situated within the middle income tracts. It is noteworthy that even the Aggregate HMDA lenders (in 2002) granted multifamily loans (32.14%) within the moderate income tract in excess of the level of units (15.14%) situated there. The Bank's multifamily lending distribution is considered to be reasonable, yet lending within the middle income in particular exhibits some weakness.

Small Business Loans

Table 6a illustrates the geographic distribution for the small business loans granted in 2003. The Bank granted 47 small business loans for a total of \$4.5 million within its assessment area. The table compares the Bank's geographic lending pattern to distribution of businesses within the assessment area. The Bank originated 14.89 percent and 10.64 percent (of small business loans) within the low-income and moderate-income tracts, respectively. The Bank's small business loan distribution compares favorably to the business demographics with 2.81 percent of businesses located in the low tract and 7.33 percent situated within the moderate-income tracts. The small business loans granted within the middle income geographies (51.06%) closely mirrored the businesses located within these tracts (50.06%), while the loans granted within the upper income tracts (23.40%) were below the distribution of businesses situated there (39.80%). Overall, the Bank's geographic distribution for small business loans is considered to be good.

II. Geographic Distribution of Lending (Continued)

Consumer Loans

Core Table 13 provides the geographic distribution and the borrower distribution for consumer loans granted in 2003. Consumer loans also include the home equity lines of credit that were not HMDA reported. Framingham Co-operative Bank granted, inside the assessment area, 71 consumer loans totaling \$2.9 million, including 23 home equity lines for a total of \$2.1 million in 2003. The table demonstrates that the level of consumer loans granted to borrowers residing within the low and moderate-income tracts (8.45% and 15.49%, respectively) exceeded the distribution of households residing in these geographies (4.23% and 7.50%, respectively). Additionally, loans granted to borrowers residing in the middle income and upper income tracts (49.30% and 26.76%, respectively) was below the distribution of households residing within these geographies (51.20% and 37.07%, respectively). Overall, the Bank's geographic distribution of consumer loans is considered to be good.

III. Borrower Characteristics

The borrower characteristics are analyzed to assess the Bank's performance in meeting the credit needs of its entire assessment area by evaluating the extent to which an institution lends to borrowers of different income levels and to businesses of different sizes. Framingham Co-operative Bank's performance for this criterion is considered to be good. The Bank's home improvement and home refinance lending received the greatest weigh. The Bank's small business loans demonstrated a good distribution among business of different sizes.

Residential Mortgage Loans

In Appendix B, tables 8a, 9a and 10a illustrates the Bank's borrower income distribution for HMDA reported mortgage loans among borrowers of low, moderate, middle and upper incomes. Borrowers' income levels are determined by comparing them to the Department of Housing and Urban Development ("HUD") estimated area median income or Median Family Income. The HUD estimated area median income for the Boston, MA-NH was \$74,200 and \$80,800 for 2002 and 2003, respectively. In addition, the tables compare the Bank's data to the Aggregate Lending Data and to the distribution of families by income levels within the assessment area.

As table 8a demonstrates the Bank's home purchase loans granted in 2002 and 2003. As noted previously, the Bank granted a total of 23 home purchase loans (for \$5.6 million) for the combined years. In 2002, the Bank's lending distribution to low and moderate income borrowers (15.38% and 38.46%, respectively) exceeded the Aggregate Lending (4.07% to low and 17.03% to moderate income borrowers) and the demographic distribution of families in these income categories (13.13% and 15.87% low and moderate income, respectively). The Bank's 2002 home purchase loans to middle income borrowers (only 7.69%) was well below both the Aggregate (28.82%) and the family household demographics (24.67%), while Bank's lending to upper income borrowers (38.46%) was below the aggregate (50.08%) lending and the household demographics (46.33%).

The Bank's 2003 borrower income distribution demonstrates a somewhat uneven pattern due in part to the small loan volume granted. The Bank granted no home purchase loans to low-income borrowers and 55.56 percent to moderate-income borrowers, while based on the 2000 Census low and moderate-income families represented 15.12 and 15.57 percent, respectively of all family households. The Bank granted the remaining 2003 borrower income distribution to middle

III. Borrower Characteristics (Continued)

Residential Mortgage Loans (Continued)

income (22.22%) and upper income borrowers (also 22.22%). These income groups represented 22.20 and 47.11 percent, respectively of all family households. In both years reviewed, the Bank's lending distribution exhibited gaps in lending to certain income groups in 2002 the weakness occurred among middle income borrowers and in 2003 to low-income and to upper income borrowers, to a lesser degree.

Table 9a details and compares the borrower income distribution for home improvement loans. For the two years reviewed, the Bank granted 68 loans in this category totaling \$3.7million. Here the larger number and dollar volume gives a more even distribution. Looking at both years overall, the Bank's lending to low-income, middle-income and upper income borrowers exhibited a good distribution, given the Aggregate Lending data and the family household demographics. While the Bank's lending to moderate-income borrowers showed weakness for both years being below the level of the aggregate lenders' and family household distribution. Refer to the table for details.

Additionally, Table 10a details and compares the Bank's borrower distribution for home mortgage refinance loans in 2002 and 2003. As mentioned previously, Framingham Co-operative Bank granted a total of 101 home refinances totaling \$17.8 million, representing the largest number and dollar volume of loans extended within the assessment area. In 2002 overall, the Bank's lending compared reasonably to both the Aggregate Lending data for all income groups. However, the Bank's lending to low and moderate income borrowers (6.45% and 19.35%, respectively) exceeded the aggregate lending (3.78% and 14.64% to low and moderate-income borrowers, respectively) and the family household distribution (13.13% and 15.87% respectively being low and moderate-income families). Likewise in 2003 overall, the Bank's borrower distribution reasonably mirrored the distribution of family households by income levels. However, the Bank's lending to moderate-income borrowers (25.37%) exceeded the level of family households (15.57% of all families). The Bank's borrower distribution for home refinances is considered to be good.

Since the reported income for Multifamily loans is NA (Not Applicable due to investor owned property), there is no table for borrower income distribution.

Small Business Loans

Table 11a analyzes the Bank's small business lending to businesses of different sizes based on the gross annual revenues of the businesses to which the loans were granted and the original loan amount granted. As mentioned previously, a small business loan is defined as a loan with an original amount of \$1 million or less that is reported by the Bank as either a commercial real estate loan or a commercial and industrial loan. These loans are reported as small business loans regardless of the annual revenues of the business borrowers. The Bank granted 47 small business loans for a total of \$4.5 million within its assessment area.

Table 11a indicates that the Bank granted 68.09 percent of small business loans to business entities with gross annual revenues of less than \$1 million. Furthermore of the total small business loans granted, 80.85 percent had original loan amount of \$100,000 or less, while 6.38 percent had original loan amounts ranging from greater than \$100,000 to \$250,000. Lastly, of the small business loans granted, 12.77 percent had original loan amount ranging from greater than \$250,000 to \$1 million. Taken as a whole, the table's analysis indicates that the Bank's lending among business of different sizes is good.

III. Borrower Characteristics (Continued)

Consumer Loans

Core Table 13 provides the borrower distribution and the geographic distribution for consumer loans granted in 2003. As noted previously, the Bank granted 71 consumer loans totaling \$2.9 million, including 23 home equity lines for a total of \$2.1 million in 2003. Table 13 compares the Bank's borrower income distribution to the distribution of all households (family and non-family) based on income levels. The Bank's distribution to low and moderate income borrowers (32.87% and 31.43%, respectively) compared favorably to the distribution of households (18.7% low-income and 13.8% moderate income). While the lending distribution to middle and upper income borrowers (14.27% and 21.43%, respectively) was below the level of households within these income categories. It is important to note that the consumer lending analysis also used the estimate area median income, which is the MFI. Since consumer loans maybe, or are, largely granted to individuals, the results maybe somewhat skewed. Nonetheless, the Bank's consumer lending distribution indicates that these loans serve the credit needs of all income categories of borrower, particularly those borrowers of low and moderate income.

IV. Community Development Lending

This lending criterion considers both the number and dollar amount of community development loans granted by the institution, and their complexity and innovativeness. The period reviewed includes the calendar years 2002 and 2003 and interim 2004 through September 30.

The CRA's regulation defines a community development loan as: a) a loan that has as its primary purpose community development, b) has not been counted as a home mortgage, small business or consumer loans, unless it is a multifamily loan; and that c) it benefits the institution's assessment area(s) or broader statewide/regional area that includes the institution's assessment area(s).

Community development purpose is further defined as: affordable housing (including multifamily rental housing) for low and moderate income individuals; community services targeted to low and moderate income individuals; activities that promote economic development by financing small businesses and farms and activities that revitalize or stabilize low and moderate income geographies.

In 2004, the Bank provided a \$270,000 mortgage loan to a regional non-profit housing corporation for the acquisition and rehabilitation of a 10 unit residential lodging house located in Framingham. This facility is to provide below market rate single room occupancy ("SRO") housing for homeless men in early stage recovery from addiction/mental illness. In addition, the Bank granted a \$100,000 short term loan for rehabilitation funding, while the organization waited for a HUD grant to be funded.

The Bank also granted in 2003 a \$375,000 mortgage loan to this non-profit housing corporation for the purchase and rehabilitation of a mixed use property to a 12 unit SRO (single room occupancy) housing located in Framingham for disadvantaged women. This project and program were also awarded a HUD grant and a grant from the City of Boston. The non-profit organization's parent will provide support services to the women residents.

Likewise in 2003, the Bank refinanced a \$634,000 of a mortgage loan facility, which initially funded the purchase and rehabilitation of a mixed use commercial property adjacent to Downtown

IV. Community Development Lending (Continued)

Marlborough, Massachusetts. This property was acquired by the regional non-profit housing corporation to house an expanded daycare and Head Start program for income eligible families. This mortgage refinance lowered the interest rate and also allowed for the retention of a discounted interest rate mortgage loan initially granted through the Federal Home Loan Bank of Boston's Community Investment Program (CIP). The property also houses other social services provided by the housing corporation's parent/affiliates.

The Bank, in 2002, refinanced an existing mortgage for the regional non-profit housing organization that provided additional funds for rehabilitation of a multi-purpose building situated in South Framingham. This new mortgage loan was for \$325,000 and was granted as part of financing package to develop 24 new units, 9 one-bedroom and 15 SRO's, for low-income men in need of sober housing and transitional and supportive services. As part of the building's initial funding, in 1998, Framingham Co-operative Bank was instrumental in securing an Affordable Housing Program ("AHP") grant with the Federal Home Loan Bank of Boston. The AHP grant assisted the non-profit in building's acquisition and use as a short term shelter for homeless men and continued as part of the rehabilitation financing (in 2002) for the property.

In 2003, Framingham Co-operative Bank granted 2 multifamily mortgage loans to private investors for a total of \$1.6 million dollars. These properties were situated in the low-income tract (#3831) and a moderate-income tract (#3832) in Framingham. The properties encompass a total of 43 affordable housing units, ranging from SRO's and studio apartments to 2 and 3 bedroom apartments.

Also considered as a community development lending activity is the bank's \$50,000 participation in the Frederick A. Rubin (Metrowest) Micro Loan Pool. The pool provides micro loans to small business owners in an effort to create greater credit availability. The pool is a revolving loan fund, as existing loans repay, the funds are then re-loaned to other/new borrowers.

In summary, the Bank's community development lending activity consisted of 6 loans totaling 1.7 million to a regional non-profit housing corporation in support of various low-income housing initiatives and a childcare and social services facility. In addition, the Bank granted 2 multifamily dwelling loans totaling \$1.6 million, which support affordable housing in low and moderate-income geographies. The Bank's \$50,000 micro loan participation is also considered as community development lending. The Bank's community development lending activity is good, given the number of loans and the level of complexity and innovativeness exhibited.

V. Innovative or Flexible Lending Practices

This lending criterion evaluates to what degree the institution uses innovative or flexible lending practices to address the credit needs of low or moderate-income individuals/geographies. By definition, an innovative practice serves low and moderate-income creditworthy borrowers/geographies in new ways or groups of creditworthy borrowers not previously served by the institution. Although a practice ceases to be innovative when its use becomes widespread, it may receive consideration as a flexible underwriting practice.

V. Innovative or Flexible Lending Practices (Continued)

First Time Homebuyer - Community Loan Program (7/3)

This program is designed to serve low and moderate-income first time homebuyers seeking to purchase an existing single family, two-family or condominium within the Bank's assessment area. The program offers a reduced interest rate 7/3 mortgage loan (7 years fixed and then adjusting every 3rd year). Closing costs are capped at \$1,250 excluding title insurance, escrows for taxes and insurance and any required outside inspection fees, such as a property/building inspection, septic or lead paint. The program allows for a maximum Loan to Value ("LTV") of 90.0 percent without private mortgage insurance ("PMI") or 95.0 percent with PMI and a maximum term of 30 years and a maximum loan amount of \$225,000. There is a maximum borrower(s)' income eligibility set at 80.0 percent of the HUD estimated area median income, which was \$74,200 and \$80,800 in 2002 and 2003, respectively. Lastly yet importantly, the program allows for expanded debt to income ratios of 36.0 percent for total housing expense and 44.0 percent for total indebtedness. The Bank granted a total of 10 loans for \$1.5 million in 2002 and 2003 combined. In 2004 the Bank granted a total of 5 first time homebuyer loans for \$1.1 million.

Reverse Mortgage Loans and Senior Equity Lines of Credit

The Bank offers a term reverse mortgage and a Senior Equity Line of Credit ("SELOC") under the auspices of the non-profit organization, Home Options for Massachusetts Elders ("HOME"). These loan products are designed by HOME to serve the needs of low-income and moderate-income elderly homeowners. Before any loan is made, the potential borrower(s) are referred to HOME for credit and financial counseling. HOME reviews the elders' total financial condition and provides assistance regardless of whether a loan is granted. A reverse mortgage is only granted as a last resort to provide needed monthly income to low-income elders, allowing them to remain in their homes. SELOC are designed to provide low-income elders a means of meeting unexpected property or life-related expenses. In the case of the term reverse mortgage, sale of the property will repay the mortgage debt, while a number of repayment options exist for the SELOC. SELOC can be repaid through conversion to a reverse mortgage, sale of the property, and any other refinancing option for which the elder homeowner may qualify. In 2002, the Bank granted one reverse mortgage for \$88,586 and one SELOC for \$105,000 and in 2003 granted one reverse mortgage for \$268,092. Lastly, the Bank granted one SELOC for \$112,000 in 2004.

Small Business Administration (SBA) "Low Doc" Loans

Framingham Co-operative Bank, as an approved SBA lender, participates in the SBA's Low Doc program. The low documentation program was offered to expedite the underwriting and granting of SBA guaranteed loans to qualified small businesses. The SBA loan programs make possible credit extension by offering surety through the SBA guaranty. Framingham Co-operative Bank currently has 1 outstanding SBA loan totaling \$35,000.

Massachusetts Capital Access Program Loans

This program, administered by the Massachusetts Business Development Corporation ("MBCD"), assists Banks to make loans to small business owners that without the guarantee would not be extended. The borrower contributes three percent of the loan amount and MBDC matches these funds, creating a reserve or guaranty fund to offset any potential losses. Framingham Co-operative Bank currently has 2 loans (for \$38,000) outstanding under this program.

V. Innovative or Flexible Lending Practices (Continued)

In summary, Framingham Co-operative Bank utilization of flexible lending practices is considered to be satisfactory. The Bank's First Time Homebuyer is of particular importance to the Bank's efforts to address the credit needs of low and moderate-income borrowers/geographies within the assessment area.

VI. Fair Lending Policies and Practices

The Bank's Fair Lending Policy states that its credit products are available to all qualified applicants without discrimination on the basis of race, color, religion, sex, marital status, age, national origin, handicap, receipt of public assistance, or good faith exercise of rights under the Federal Consumer Credit Protection Act. Framingham Co-operative Bank has an adequate record of implementing fair lending policies and practices. The following fair lending review is based on Regulatory Bulletin 2-3-10, the Division's Fair Lending guidelines.

Framingham Co-operative Bank originates residential and commercial real estate loans, commercial and consumer loans, which it retains in its own loan portfolio. The Bank is also an active commercial and real estate development lender. As regards residential mortgage lending, the Bank offers 10, 15 and 30 year fixed rate mortgage and a 5/1 Adjustable Rate Mortgages with a maximum term of 30 years. Additionally, a 3 year adjustable rate mortgage product is offered as a "non-conforming" loan program. The 3 year ARM is used in rare instances, where borrower's credit history or income does not conform to secondary market standards.

Among the Bank's mortgage loan offerings are home equity lines and fixed rate/fixed term home equity loans. The equity lines have a 20-year term, (10-year draw and a 10-year repayment period), while equity loans offer a maximum term of 15 years. The Bank's consumer loan products include; new and used car loans, personal, home improvement and passbook loans, overdraft lines of credit and VISA credit card programs. Commercial loan products include; lines of credit, commercial real estate loans; investor owned residential property loans, term loans and Small Business Administration Loans. Refer to Flexible and Innovative Lending Practices for further discussion of the Bank's lending products.

Framingham Co-operative Bank has second review procedures, which cover all loan applications recommended for denial by the originating loan officer. Consumer loans slated for denial are second-reviewed by a more senior lending officer, while all commercial and residential real estate loans, including home equity loans/lines and commercial loans are second reviewed by the Bank's Security Committee.

Minority Application Flow

Framingham Co-operative Bank received a total of 243 mortgage applications, from within its assessment area, of which 9.1 percent were from members of a minority group. The Bank's 2002 and 2003 level of minority applicants was 10.0 and 8.3 percent respectively, while the 2002 aggregate lenders' level of minority applicants was 8.3 percent. The Bank's 2002 and 2003 level of minority applicants was 8.6 and 5.4 percent respectively, while the 2002 aggregate lenders' level of minority applicants was 8.2 percent. Overall, Framingham Co-operative Bank received a reasonable level of minority applicants and in 2002 and the combined years somewhat exceeded the aggregate HMDA lenders' performance. See the table below for further details.

VII. Fair Lending Policies and Practices (Continued)

Minority Application Flow (Continued)

Mortgage Applicants by Race/Ethnicity								
RACE	AGGREGATE DATA 2002		Bank 2002		Bank 2003		Bank Totals	
	#	%	#	%	#	%	#	%
Native American	81	0.3	0	0.0	0	0.0	0	0.0
Asian	890	3.0	1	0.9	2	1.5	3	1.2
Black	297	1.0	1	0.9	4	3.0	5	2.1
Hispanic	635	2.2	7	6.4	4	3.0	11	4.5
Other	537	1.8	2	1.8	1	0.8	3	1.2
Total Minority	2,440	8.3	11	10.0	11	8.3	22	9.1
White	16,808	57.2	80	72.7	108	81.2	188	77.3
NA	10,137	34.5	19	17.3	14	10.5	33	13.6
Total	29,385	100.0	110	100.0	133	100.0	243	100.0

Source: HMDA-LAR, CRA Wiz.

Furthermore, the Bank granted a total of 12 loans for \$2.3 million (in 2002 and 2003, combined) to minority applicants, representing 6.1 percent (by number) and 8.0 percent (by dollar volume) of all HMDA reported loan originations. In 2002, the aggregate HMDA lenders granted 7.9 percent (by number) and 7.8 percent (by dollars) of all loan originators to minority applicants.

The institution's minority application flow is also compared to the assessment area's racial composition. In the 2000 Census, the assessment area total population was 185,937 residents, of which 28,288 residents or 15.2 percent were members of an ethnic/racial minority. Overall, total population increased by 10.6 percent (or 17,861 individuals); whereas, the total minority population increased by 91.2 percent (or 13,495 individuals). The largest population growth occurred within the Asian and Hispanic communities, which grew by 95.8 and 63.8 percent, respectively. The assessment area's minority population is comprised as follows: Native American (0.1%), Asian (3.9%), Black (2.5%), Hispanic (5.9%) and Other (2.8%).

An institution's ability to attract minority applicants may be influenced by a number of factors including product offerings, competition and customer base and marketing presence within the minority neighborhoods or communities. Overall, Framingham Co-operative Bank's ability to attract minority applicant is considered to be adequate.

VIII. Loss of Affordable Housing

There is no evidence that any of Framingham Co-operative Bank's lending activity indicates any undue concentration or systematic pattern, resulting in the loss of affordable housing units.

INVESTMENT TEST

The investment test evaluates an institution's record of helping to meet the credit need of its assessment area through "qualified investments" that benefit its assessment area or a broader statewide or regional area, which includes the institution's assessment area. Overall, the investment test evaluates the dollar amount of qualified investments, their "innovativeness and complexity", and the responsiveness of these investments to credit and community development needs, including the degree to which they assist residents to remain in affordable housing and the degree to which the qualified investments are not routinely provided by private investors.

A qualified investment is defined as a lawful investment, deposit, membership share or grant that has community development as its primary purpose. Community development includes; affordable housing for low and moderate-income individuals, community services (targeted to low and moderate-income individuals), activities that promote economic development (by financing small businesses or small farms), and activities that revitalize or stabilize low and moderate-income geographies. The period reviewed for the investment test purposes constitutes calendar years 2002, and 2003, as well as an interim period through November 22, 2004. Framingham Co-operative Bank's performance under the Investment Test is considered to be "High Satisfactory".

The following describes Framingham Co-operative Bank's qualified investments.

Investments

On June 17, 2004, Framingham Co-operative Bank made a commitment to invest \$500,000 in Access Capital Strategies Community Investment Fund ("The Fund"). The Fund primarily invests in private placement debt securities specifically designed to support underlying community development activities targeted to serve low and moderate-income individuals such as affordable housing, education, and small business lending in areas of the United States as designated by fund investors. Framingham Co-operative Bank designated the low and moderate-income census tracts in Framingham (based on 2000 census data) as its designated geographies. The Fund invests primarily in single and multifamily housing mortgage backed securities and other credit enhanced securities that are made up of CRA loans. The Fund occasionally invests in CRA eligible securities that meet the appropriate credit, return, and geographic requirements. On July 1, 2004, Framingham Co-operative Bank's \$500,000 commitment was called by The Fund.

Charitable Contributions

In June of 1998, Framingham Co-operative Bank established the Framingham Co-operative Bank Charitable Foundation a 501 (c) (3) tax exempt charitable corporation as a means of addressing the larger requests for donations and/or multi-year commitments. This foundation was created to support charitable, educational, and civic purposes in the greater Framingham area. The Framingham Co-operative Bank Charitable Foundation was initially funded with the sale of \$1.5 million in Framingham Co-operative Bank's highly appreciated equity securities. The foundation is financially replenished periodically in this same manner. It maintains its own Board of Directors that meet on a quarterly basis to review and decide upon grant requests.

For the period reviewed, Framingham Co-operative Bank Charitable Foundation granted a total of \$200,000 in charitable contributions that were considered as qualified investments under CRA.

Charitable Contributions (Continued)

The following includes (but is not limited to) some of the organizations that Framingham Co-operative Bank Charitable Foundation contributed to that were considered to be qualified investments.

Organizations that provide social services to individuals and families in need and support affordable housing efforts, such as, The United Way of Tri-County, Salvation Army, South Middlesex Legal Services, The New Women's Alliance, South Middlesex Opportunity Council, MetroWest Harvest, and Resiliency for Life. Organizations that provide school, youth, and educational programs such as, the Boys and Girls Club of MetroWest, the MetroWest and the Framingham School Departments. Organizations that promote and support business/economic growth and development such as A Suitable Image, Inc., and the 495 MetroWest Corridor Partnership. Organizations that provide credit counseling such as, the Credit Counseling Service of Massachusetts.

Lastly, organizations that provide for the elderly services such as, The Adult Day Center, Inc., the Framingham Council on Aging, Baypath Elder Services, and HOME.

In addition to the Foundation's contributions to the community, Framingham Co-operative Bank, as a corporate citizen, made donations to many of the same organizations referenced above. For the period reviewed, Framingham Co-operative Bank granted \$73,204 in corporate contributions, \$38,549 or 52.7 percent are considered qualified investments.

Conclusion - Investment Test

Framingham Co-operative Bank qualified investments and charitable contributions/grants reflect a significant dollar amount and a good level of responsiveness to the credit and community development needs of its assessment area. The bank's performance under the Investment Test is considered to be "High Satisfactory".

SERVICE TEST

The service test evaluates an institution's record of helping to meet the credit needs of its assessment area by analyzing the availability and effectiveness of an institution's systems for delivering retail banking services; and the extent and innovativeness of its community development services. Overall, Framingham Co-operative Bank's retail service delivery systems are considered reasonably accessible to geographies and individuals of different income levels in its assessment area.

Retail Banking Services

The Bank's main office and loan center are located within a middle income census tract, while the Lincoln Street, Framingham branch office is situated within a moderate-income tract. Framingham Co-operative Bank has not opened or closed any banking offices during the review period.

The Bank's hours of operation are considered to be convenient and comparable to other local financial institutions. The main office offers extended lobby hours, on Thursday and Friday evenings, as well as Saturday morning hours. Both offices offer drive-up teller windows and ATM(s), which provide 24-hour network access including NYCE, Cirrus, Discover, Mastercard and Visa.

Other Retail Services and Alternative Delivery System(s)

Framingham Co-operative Bank offers both a checking and a savings account that comply with the Massachusetts Community Banking Council's **Basic Banking for Massachusetts** program guidelines. The Bank's "Econo" checking account offers no minimum balance requirement and a \$3.00 monthly service fee with check writing capped at 8 per month. However, the Bank's "Direct Deposit Checking" offers no minimum balance, no monthly service fee and no monthly check writing limit. Both of these checking accounts offer ATM or debit card access. The Bank's basic saving account requires no minimum balance with a monthly fee of \$1.00. However if a \$100 balance is maintained, the monthly fee is waived.

Framingham Co-operative Bank is a member of the SUM ATM network of financial institutions. SUM member banks provide surcharge free ATM access to their own customers and to other member bank customers.

The Bank provides free telephone and online banking to all account customers. The Bank's automated telephone system provides 24 hour/7 day account information and access. Access 24 allows customers to; check current balances and transaction information and transfer funds between Bank accounts. The Bank's online/internet banking provides 24/7 account access and information similar to the telephone banking and also offers an online bill paying service. However, the additional feature of the bill paying service carries \$4.95 monthly fee, unless a "Club Advantage" checking account has been established. A depositor must carry a combined bank account balance of \$5,000 to qualify for a "Club Advantage" checking account.

Framingham Co-operative Bank continues to participate in the **Massachusetts Interest on Lawyers Trust Accounts (IOLTA)** Committee program. In 2002, 2003 and year-to-date September 2004, the Bank remitted a total of \$52,947 to the IOLTA program. IOLTA utilizes these funds, the interest earned on funds held by attorneys, to support legal service agencies serving low-income individuals and families.

Community Development Services

Community development services are evaluated based on the extent to which the institution provides community development services and the innovativeness and responsiveness of the services provided.

The Bank's officers and staff members provide financial or technical expertise to local and regionally based organizations, involved in initiatives to revitalize low or moderate-income census tracts, to develop affordable housing and provide human services targeted to low and moderate income individuals. Overall, Framingham Co-operative Bank's qualified services, as detailed below, demonstrate a satisfactory level of community development services.

South Middlesex Opportunity Council, Inc (SMOC) is a regional non-profit organization based in Framingham, which provides an array of programs supporting low and moderate-income individuals and families. SMOC (and its affiliates) provide affordable housing, mental health care and sobriety programs, child care and Head Start, work readiness programs, energy assistance and financial and life skills education programs. A senior officer of the Bank serves on SMOC's board of directors. See also Educational Services below.

Community Development Services (Continued)

Federal Home Loan Bank (FHLB) – Affordable Housing Program (AHP) provides grant monies and/or low interest rate subsidized loans to qualified housing projects. These funds are granted through FHLB member institutions submitting grant/project proposal(s) on behalf of the community organization. In recent years, Framingham Co-operative Bank has received a number of AHP awards on behalf of a regional non-profit housing corporation. These awards (grants and subsidized funding) have help to underwrite the development of several units of low-income housing and a facility to house childcare and other social services. The Bank continues to monitor these awards to ensure that the funds are being used as intended.

In 2003, the Bank's commercial loan officers submitted a proposal, which were approved by FHLB's AHP. A regional housing non-profit received an AHP award to develop/rehabilitate a two-story frame dwelling, which will serve as transitional sober housing for formerly homeless women. The sponsoring non-profit was awarded a combination grant and subsidized loan to develop this facility.

In 2003, two of the Bank's commercial loan officers submitted proposals, which were approved by FHLB's AHP. A local non-profit received an AHP grant to build three homes for qualified low-income families/homebuyers. A regional human services organization received a combination grant and subsidized loan to help build a homeless shelter.

South Middlesex Legal Services, Inc., a non-profit corporation, providing legal representation to low-income people. This representation is provided in matters involving necessities such as, housing, disability benefits, health care access and special education. An officer of the Bank serves on this organization's annual funding raising campaign committee.

Homeowner Options for Massachusetts Elders (H.O.M.E.) is a statewide non-profit agency, which provides needed financial counseling to senior citizens; assisting low and moderate income elder homeowners to remain in their homes. H.O.M.E. also has developed loan product to assist low-income elderly homeowners. See Flexible and Innovative Lending Practices. A loan officer of the Bank serves on this organization's lenders subgroup, which assist this non-profit in developing new loan products. In addition, this officer has served as a presenter at HOME's "Successful Aging in Place" seminar for area elders.

United Way of Tri-County raises funds to support the direct service programs, provided by member agencies located throughout Middlesex, Worcester and Bristol Counties. United Way agencies predominantly serve at-risk and low-income children, youth, families and elders. An officer of the bank served as the Metrowest Division Chair in 2002 and 2003. The Bank's President served as the United Way of Tri-county's campaign chair in 2002.

Framingham Resource Center an affiliate of South Middlesex Opportunity Council (SMOC) regularly sponsors homebuyer education classes for low and moderate-income individuals. The Bank's residential lending officer serves as presenter for these classes, providing the mortgage application process module. This credit education service is provided two or three time during the year.

Framingham Housing Partnership was created by a unanimous vote of the Board of Selectmen, "to formulate, recommend and help implement a current housing policy and plan.....that will work toward the provision of decent, safe and affordable housing for all of Framingham's residents." The Bank's President serves on this citizen advisory council, which began meeting in January 2002 and continues into the present day.

Conclusion - Service Test

Framingham Co-operative Bank's performance under the service test is considered to be "Satisfactory". Overall, the Bank's retail service delivery systems are considered reasonably accessible to geographies and individuals of different income levels in its assessment area. As noted above, the Bank demonstrates a satisfactory performance in providing community development services and credit education services.

APPENDIX A

SCOPE OF EXAMINATION

Framingham Co-operative Bank has one assessment area consisting of six municipalities within the Boston MA-NH Consolidated Metropolitan Statistical Area (CMSA). The Bank's lending activity was reviewed for all of 2002 and 2003. Lending products reviewed included all HMDA reported mortgage loans and small business loans on the CRA report and optionally reported consumer loans. The Bank's community development loans were also reviewed. The Bank's lending activity was reviewed on site at its loan center office. The Bank's compliance with fair lending laws and regulations including the Equal Credit Opportunity Act and Home Mortgage Disclosure Act was also reviewed. There were no illegal discriminatory credit practices noted during this examination.

APPENDIX B

FFIEC Core Tables January 1, 2002 To December 31, 2003

The Federal Financial Institution Examination Council (FFIEC) has adopted a standard set of data tables, sequentially numbered 1-15, for use in every large bank CRA Public Evaluation. Any tables not included in the Public Evaluation were excluded because the institution has not originated or purchased any loans in the relevant category during the period under review or did not elect to report consumer loan data.

LENDING ACTIVITY

Table 1	Lending Volume
Table 1	Other Products
Table 2a	Geographic Distribution of Home Purchase Loans
Table 3a	Geographic Distribution of Home Improvement Loans
Table 4a	Geographic Distribution of Home Mortgage Refinance Loans
Table 5a	Geographic Distribution of Multifamily Loans
Table 6a	Geographic Distribution of Small Loans to Businesses
Table 7a	Geographic Distribution of Small Loans to Farms
Table 8a	Borrower Distribution of Home Purchase Loans
Table 9a	Borrower Distribution of Home Improvement Loans
Table 10a	Borrower Distribution of Home Mortgage Refinance Loans
Table 11a	Borrower Distribution of Small Loans to Businesses
Table 12a	Borrower Distribution of Small Loans to Farms
Table 13	Geographic and Borrower Distribution of Consumer Loans

INVESTMENTS

Table 14	Qualified Investments
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Institution ID: 30000026395 FRAMINGHAM CO-OPERATIVE BANK

Table 1. Lending Volume

LENDING VOLUME		Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003						
	% of Rated Area Loans (#) in MA/AA*	Home Mortgage		Small Loans to Businesses		Small Loans to Farms		Community Development Loans**		Total Reported Loans		% of Rated Area Deposits in MA/AA***
		#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)	
MA/Assessment Area (2003):												
Full Review:												
Framingham Co-operative Bank 2002	100.00	80	11,447	0	0	0	0	0	0	80	11,447	100.00
Framingham Co-operative Bank 2003	100.00	116	17,696	47	4,528	0	0			163	22,224	100.00

* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Community Development Loans is From January 01, 2002 to December 31, 2003.

*** Deposit Data as of December 31, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: 30000026395 FRAMINGHAM CO-OPERATIVE BANK

Table 1. Other Products

LENDING VOLUME		Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003								
MA/Assessment Area (2003):	% of Rated Area Loans (#) in MA/AA*	Total Optional Loans		Small Business Real Estate Secured**		Home Equity**		Motor Vehicle**		Credit Card**		Other Secured Consumer**		% of Rated Area Deposits in MA/AA***
	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$ (000's)	#	\$(000's)		
Full Review:														
Framingham Co-operative Bank 2002	0.00	0	0	0	0	0	0	0	0	0	0	0	0	100.00
Framingham Co-operative Bank 2003	100.00	71	2,911	0	0	23	2,127	27	381	0	0	4	337	100.00

* Loan Data as of December 31, 2003. Rated area refers to either the state or multi-state MA rating area.

** The evaluation period for Optional Product Line(s) is From January 01, 2003 to December 31, 2003.

*** Deposit Data as of December 31, 2003. Rated Area refers to either the state, multi-state MA, or institution, as appropriate.

Institution ID: 30000026395 FRAMINGHAM CO-OPERATIVE BANK

Table 1. Other Products

LENDING VOLUME		Geography: FRAMINGHAM CO-OP		Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003	
	Other Unsecured Consumer Loans*		Other Optional Loans*		
	#	\$ (000's)	#	\$ (000's)	
MA/Assessment Area (2003):					
Full Review:					
Framingham Co-operative Bank 2002	0	0	0	0	
Framingham Co-operative Bank 2003	17	66	0	0	

* The evaluation period for Optional Product Line(s) is From January 01, 2003 to December 31, 2003.

Table2a. Geographic Distribution of Home Purchase Loans

Geographic Distribution: HOME PURCHASE			Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Framingham Co-operative Bank 2002	14	100.00	0.00	0.00	4.23	7.14	42.69	42.86	53.08	50.00	0.00	7.62	44.94	47.44
Framingham Co-operative Bank 2003	9	100.00	1.23	11.11	4.89	0.00	48.81	44.45	45.06	44.44	NA	NA	NA	NA

* Based on 2002 Peer Mortgage Data: Northeast Region 1.

** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by the number of owner occupied housing units in the area based on 1990 and 2000 Census information for 2002 and 2003, respectively.

Table 3a. Geographic Distribution of Home Improvement Loans

Geographic Distribution: HOME IMPROVEMENT			Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Framingham Co-operative Bank 2002	34	100.00	0.00	0.00	4.23	8.82	42.69	41.18	53.08	50.00	0.00	4.08	42.16	53.76
Framingham Co-operative Bank 2003	34	100.00	1.23	2.94	4.89	5.88	48.81	52.94	45.06	38.24	NA	NA	NA	NA

* Based on 2002 Peer Mortgage Data: Northeast Region 1.

** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 and 2000 Census information for 2002 and 2003, respectively.

Table 4a. Geographic Distribution of Home Mortgage Refinance Loans

Geographic Distribution: HOME MORTGAGE REFINANCE			Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	% Owner Occ Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Framingham Co-operative Bank 2002	32	100.00	0.00	0.00	4.23	6.25	42.69	50.00	53.08	43.75	0.00	3.65	40.89	55.46
Framingham Co-operative Bank 2003	69	100.00	1.23	1.45	4.89	20.29	48.82	42.03	45.06	36.23	NA	NA	NA	NA

* Based on 2002 Peer Mortgage Data: Northeast Region 1.

** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

*** Percentage of Owner Occupied Units is the number of owner occupied housing units in a particular geography divided by number of owner occupied housing units in the area based on 1990 and 2000 Census information for 2002 and 2003, respectively.

Table 5a. Geographic Distribution of Multifamily Loans

Geographic Distribution: MULTIFAMILY			Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Multifamily Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate HMDA Lending (%) by Tract Income*			
	#	% of Total**	% of MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	% MF Units***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Framingham Co-operative Bank 2002	0	0.00	0.00	0.00	15.14	0.00	57.14	0.00	27.71	0.00	0.00	32.14	57.14	10.71
Framingham Co-operative Bank 2003	4	100.00	10.12	25.00	8.73	50.00	60.41	25.00	20.74	0.00	NA	NA	NA	NA

* Based on 2002 Peer Mortgage Data: Northeast Region 1.

** Multifamily loans originated and purchased in the MA/AA as a percentage of all multifamily loans originated and purchased in the rated area.

*** Percentage of multifamily units is the number of multifamily housing units in a particular geography divided by number of multifamily housing units in the area based on 1990 and 2000 Census information for 2002 and 2003, respectively.

Table 6a. Geographic Distribution of Small Loans to Businesses

Geographic Distribution: SMALL LOANS TO BUSINESSES					Geography: FRAMINGHAMCO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003					
MA/Assessment Area:	Total Small Business Loans		Low-Income Geographies		Moderate-Income Geographies		Middle-Income Geographies		Upper-Income Geographies		Aggregate Lending (%) by Tract Income*			
	#	% of Total**	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	% of Businesses***	% BANK Loans	Low	Mod	Mid	Upp
Full Review:														
Framingham Co-operative Bank 2003	47	100.00	2.81	14.89	7.33	10.64	50.06	51.06	39.80	23.40	NA	NA	NA	NA

* Based on Aggregate Small Business Data Only.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Source Data - Dun and Bradstreet (2003).

Table 8a. Borrower Distribution of Home Purchase Loans

Borrower Distribution: HOME PURCHASE			Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Purchase Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data [*]			
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Low	Mod	Mid	Upp
Full Review:														
Framingham Co-operative Bank 2002	14	100.00	13.13	15.38	15.87	38.46	24.67	7.69	46.33	38.46	4.07	17.03	28.82	50.08
Framingham Co-operative Bank 2003	9	100.00	15.12	0.00	15.57	55.56	22.20	22.22	47.11	22.22	NA	NA	NA	NA

* Based on 2002 Peer Mortgage Data: Northeast Region 1.

** As a percentage of loans with borrower income information available. No information was available for 7.14% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 and 2000 Census information for 2002 and 2003, respectively.

**** Home purchase loans originated and purchased in the MA/AA as a percentage of all home purchase loans originated and purchased in the rated area.

Table 9a. Borrower Distribution of Home Improvement Loans

Borrower Distribution: HOME IMPROVEMENT			Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Improvement Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data [*]			
	#	% of Total ^{**}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	% Families ^{***}	% BANK Loans ^{****}	Low	Mod	Mid	Upp
Full Review:														
Framingham Co-operative Bank 2002	34	100.00	13.13	14.71	15.87	8.82	24.67	38.24	46.33	38.24	3.85	12.64	26.56	56.96
Framingham Co-operative Bank 2003	34	100.00	15.12	11.76	15.57	1.76	22.20	47.07	47.11	29.41	NA	NA	NA	NA

* Based on 2002 Peer Mortgage Data: Northeast Region 1.

** As a percentage of loans with borrower income information available. No information was available for 0.00% of loans originated and purchased by BANK.

*** Percentage of Families is based on the 1990 and 2000 Census information for 2002 and 2003, respectively.

**** Home improvement loans originated and purchased in the MA/AA as a percentage of all home improvement loans originated and purchased in the rated area.

Table 10a. Borrower Distribution of Home Mortgage Refinance Loans

Borrower Distribution: HOME MORTGAGE REFINANCE			Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003							
MA/Assessment Area:	Total Home Mortgage Refinance Loans		Low-Income Borrowers		Moderate-Income Borrowers		Middle-Income Borrowers		Upper-Income Borrowers		Aggregate Lending Data*			
	#	% of Total**	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	% Families***	% BANK Loans****	Low	Mod	Mid	Upp
Full Review:														
Framingham Co-operative Bank 2002	32	100.00	13.13	6.45	15.87	19.35	24.67	22.58	46.33	51.61	3.78	14.64	26.96	54.62
Framingham Co-operative Bank 2003	69	100.00	15.12	14.93	15.57	25.37	22.20	19.40	47.11	40.30	NA	NA	NA	NA

* Based on 2002 Peer Mortgage Data: Northeast Region 1.

** As a percentage of loans with borrower income information available. No information was available for 3.13% of loans originated and purchased by bank.

*** Percentage of Families is based on the 1990 and 2000 Census information for 2002 and 2003, respectively.

**** Home mortgage refinance loans originated and purchased in the MA/AA as a percentage of all home mortgage refinance loans originated and purchased in the rated area.

Table 11a. Borrower Distribution of Small Loans to Businesses

Borrower Distribution: SMALL LOANS TO BUSINESSES			Geography: FRAMINGHAM CO-OP			Evaluation Period: JANUARY 1, 2002 TO DECEMBER 31, 2003			
MA/Assessment Area:	Total Small Loans to Businesses		Businesses With Revenues of \$1 million or less		Loans by Original Amount Regardless of Business Size			Aggregate Lending Data*	
	#	% of Total**	% of Businesses***	% BANK Loans****	\$100,000 or less	>\$100,000 to \$250,000	>\$250,000 to \$1,000,000	All	Rev\$ 1 Million or Less
Full Review:									
Framingham Co-operative Bank 2003	47	100.00	62.95	68.09	80.85	6.38	12.77	NA	NA

* Based on Aggregate Small Business Data Only.

** Small loans to businesses originated and purchased in the MA/AA as a percentage of all small loans to businesses originated and purchased in the rated area.

*** Businesses with revenues of \$1 million or less as a percentage of all businesses (Source D&B - 2003).

**** Small loans to businesses with revenues of \$1 million or less as a percentage of all loans reported as small loans to businesses. No information was available for 2.13% of small loans to businesses originated and purchased by the bank.

Table13.Geographic and Borrower Distribution of Consumer Loans(Institution's Option)

Geographic and Borrower Distribution:: CONSUMER LOANS										Geography: FRAMINGHAM CO-OP				Evaluation Period: JANUARY 1, 2003 TO DECEMBER 31, 2003					
MA/Assessment Area	Geographic Distribution										Borrower Distribution								
	Total Consumer Loans		Low-Income Geographies		Moderate-Income Geographies		Middle – Income Geographies		Upper – Income Geographies		Low- Income Borrowers		Moderate- Income Borrowers		Middle-Income Borrowers		Upper Income Borrowers		
	#	% of Total	% of Hhlds**	% of Loans	% of Hhlds**	% of Loans	% of Hhlds**	% of Loans	% of Hhlds**	% of Loans	% of Hhlds**	% of Loans	% of Hhlds**	% of Loans	% of Hhlds**	% of Loans	% of Hhlds**	% of Loans	
Full Review																			
Framingham Co-operative 2003	71	100.00	4.23	8.45	7.50	15.49	51.20	49.30	37.07	26.76	18.7	32.87	13.8	31.43	18.5	14.27	49.0	21.43	

** Based on 2000 U.S. Census Data.

Note: Consumer Loans include Home Equity Lines of Credit that were not reported on the HMDA-LAR.

Institution ID: 30000026395 FRAMINGHAM CO-OPERATIVE BANK

Table 14. Qualified Investments

QUALIFIED INVESTMENTS		Geography: FRAMINGHAM CO-OP			Evaluation Period: JANUARY 1, 2002 TO SEPTEMBER 30,2004				
MA/Assessment Area:	Prior Period Investments*		Current Period Investments		Total Investments			Unfunded Commitments**	
	#	\$(000's)	#	\$(000's)	#	\$(000's)	% of Total	#	\$(000's)
Full Review:									
Framingham Co-operative Bank 2004			1	500	1	500	100.0		

* 'Prior Period Investments' means investments made in a previous evaluation period that are outstanding as of the examination date.

** 'Unfunded Commitments' means legally binding investment commitments that are tracked and recorded by the institution's financial reporting system.

Framingham Co-operative Bank 2002

Demographic Information for Full Scope Area: Framingham Co-operative Bank 2002						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	31	0.00	6.45	45.16	45.16	3.23
Population by Geography	168,076	0.00	8.47	46.23	45.30	0.00
Owner-Occupied Housing by Geography	40,311	0.00	4.23	42.69	53.08	0.00
Business by Geography	NA	NA	NA	NA	NA	NA
Farms by Geography	NA	NA	NA	NA	NA	NA
Family Distribution by Income Level	43,670	13.13	15.87	24.67	46.33	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	12,661	0.00	15.24	50.24	34.52	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below Poverty Level		48,688 74,200 4.88%	Median Housing Value Unemployment Rate (1990 US Census)		183,797 3.43%	

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 1990 US Census and 2003 HUD updated MFI

Framingham Co-operative Bank 2003

Demographic Information for Full Scope Area: framinghamco-op2000						
Demographic Characteristics	#	Low % of #	Moderate % of #	Middle % of #	Upper % of #	NA* % of #
Geographies (Census Tracts/BNAs)	32	3.13	9.38	46.88	40.63	0.00
Population by Geography	185,937	5.06	7.43	48.48	39.02	0.00
Owner-Occupied Housing by Geography	48,005	1.23	4.89	48.81	45.06	0.00
Business by Geography	13,559	2.81	7.33	50.06	39.80	0.00
Farms by Geography	293	3.41	8.53	43.34	44.71	0.00
Family Distribution by Income Level	48,597	15.12	15.57	22.20	47.11	0.00
Distribution of Low and Moderate Income Families throughout AA Geographies	14,915	10.74	11.21	51.37	26.68	0.00
Median Family Income HUD Adjusted Median Family Income for 2003 Households Below Poverty Level		68,341 80,800 5.86%	Median Housing Value Unemployment Rate (1990 US Census)		222,830 1.7%	

(*) The NA category consists of geographies that have not been assigned an income classification.

Source: 2000 US Census and 2003 HUD updated MFI

PERFORMANCE EVALUATION DISCLOSURE GUIDE

Massachusetts General Laws Chapter 167, Section 14, as amended, and the Uniform Interagency Community Reinvestment Act (CRA) Guidelines for Disclosure of Written Evaluations require all financial institutions to take the following actions within 30 business days of receipt of the CRA evaluation of their institution:

- 1) Make its most current CRA performance evaluation available to the public;
- 2) At a minimum, place the evaluation in the institution's CRA public file located at the head office and at a designated office in each assessment area;
- 3) Add the following language to the institution's required CRA public notice that is posted in each depository facility:

"You may obtain the public section of our most recent CRA Performance Evaluation, which was prepared by the Massachusetts Division of Banks, at (Address at main office)."

[Please Note: If the institution has more than one local community, each office (other than off-premises electronic deposit facilities) in that community shall also include the address of the designated office for that assessment area.]

- 4) Provide a copy of its current evaluation to the public, upon request. In connection with this, the institution is authorized to charge a fee which does not exceed the cost of reproduction and mailing (if applicable).

The format and content of the institution's evaluation, as prepared by its supervisory agency, may not be altered or abridged in any manner. The institution is encouraged to include its response to the evaluation in its CRA public file.